



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
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Michael O. Leavitt
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Division Director

October 31, 1996

Francis A. Rakow
Bureau of Land Management
Henry Mountain Resource Area
P.O. Box 99
Hanksville, Utah 84734

Re: Notice of Intention to Commence Small Mining Operations, Kaibab Gold Project
(Millsite), S/017/038, Garfield County, Utah

Dear Mr. Rakow:

Thank you for forwarding the Notice for Kaibab Industries's, Kaibab Gold Project, located in Section 31, T31S, R12E and Section 6, T32S, R12E, Garfield County, Utah. Your agency's designated number for this project is UTU-71636.

The Division has evaluated the above mentioned Notice under the Small Mining Operation section of our Rules. The information provided in the notice meets the requirements of Rule R647-3 of the 1988 Division of Oil, Gas and Mining Minerals Rules, and Title 40-8, et seq., of the Utah Mined Land Reclamation Act of 1975. No additional information is required from the operator by the Division at this time.

It is understood that the Division will notify your office of any permitting concerns we may have, and in turn, your office, acting as 'Lead Agency' will notify the operator accordingly. Please forward a copy of the enclosed SMO-NOI Summary, Operation and Reclamation Practices, as taken from Notice of Intention to Commence Small Mining Operations (form MR-SMO). By accepting this Notice the Division expects the operator to comply with the practices listed on this page. If the operator cannot comply with these practices, then a variance request must be provided to and formally approved by the Division. This request would include the particular practice which the operator cannot comply with and an explanation describing the reasons why they cannot comply. A variance request is not required for the practices which refer to features which are nonexistent at the project site.

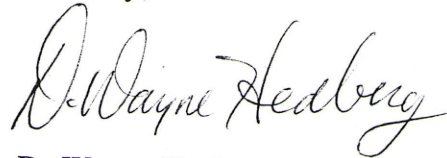


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Please provide us with a copy of your final completeness/approval letter to the operator. In addition, if you receive additional information or amendments for this operation, please notify us so we can update our files. Please reference our designated file number S/017/038 when forwarding additional information on this project to us.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure: SMO-NOI Summary
cc: Roger L. Bon, UGS
Kim Wilson, Kaibab Industries, w/encl
Tracking File
S017038.noi